

ACCOUNTABLE GOVERNMENT ACT

A briefing for

Administration/Regulation Appropriations Subcommittee

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Accountable Government Act Features

- . Strategic Planning,**
- . Performance Measurement,**
- . Results-Oriented Budgeting,**
- . Performance Reporting,**
- . Performance Audits**
- . Performance Contracting, and**
- . Return on Investment**

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Proposed Governance System Legislation

Name

Government Accountability Act

Purposes

- Focus on results for Iowans.
- Demonstrate accountability to the people and taxpayers of Iowa.
- Improve decision making.

Definitions

- Definitions of terms needed for the consistent application of this Act, and to promote communication, shall be jointly written by representatives of the Legislative Fiscal Bureau, Legislative Service Bureau, and the executive branch.

Planning

- Require an enterprise strategic plan (four year: updated annually, with changes explained).
- Require agency strategic plans (four year: updated annually, with changes explained).
- Strategic plans (at both levels) include, but are not limited to, the following elements:
 - Mission,
 - Vision,
 - Environmental scan (including identification of customers and stakeholders; results of customer, stakeholder, and public input),
 - Results-oriented goals (and show alignment with other relevant plans),
 - Strategies and action steps, and
 - Measures and data sources.

- Require annual agency performance plans (action plans), which include:
 - Alignment with strategic plans,
 - Family of measures and data sources, and
 - Performance targets.
- Individual employee performance evaluations linked to agency plans.
- Enterprise and agency plans publicly available (with appropriate exceptions, e.g. Lottery, anti-terrorism, etc., as determined by the Department of Management).
- Agencies shall communicate plans to all employees.

Measurement

- Require high-level enterprise indicators of well being for lowans,
- Require a family of measures at the level of agency programs and activities.

Budgeting

- Budget system shows the linkage between goals, budgets, and performance.
- Budget and accounting systems enable decision makers to relate cost data to program outputs and results.
- Budget proposals show how at least 2% of agency budgets have been reallocated each year, or explain why not.

Performance Reporting

- Require an annual performance report at the enterprise and agency levels. To be reported two months after the close of the fiscal year.
- Require quarterly reporting at the program level. Due one month after the close of each quarter.
- All reports publicly available. The enterprise and agencies use performance data to inform customers, stakeholders, and the public. Reports disseminated widely within state government.

- Performance data is to be used to improve performance, make planning and policy decisions, allocate resources, inform lowans of what they receive for their investment in government, and recognize superior performance. Performance data is not to be used to punish agencies or work units.

Performance Audits

- Establish a mechanism for periodic program reviews. Findings to include: suggestions for improvement, **reallocation**, consolidation, and/or elimination.
- Establish a mechanism for regular validation of performance data.

Performance Contracting

- State contracts will contain performance measures and other mechanisms for assessing the effectiveness of contracts.
- The Department of Management, in consultation with other state agencies shall develop a mechanism for determining best value in service delivery: in-house provision vs. contracting, etc.
- Centralized purchasing of personal services.

Return on Investment

- Build on current ROI efforts to create methodologies to inform decision making.
- Use ROI calculations to make better informed investment decisions, particularly in the areas of technology and human investment.

Please contact Jim Chrisinger at DOM if there are questions: I-6537.

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VILSACK/PEDERSON LEADERSHIP AGENDA BRIEFAccountable **Government**: Accountable Government Act

Critical Issues

1. Too **often**, Iowans do not know whether our resources are being put to best use and whether our **efforts** are accomplishing their intended purposes.
2. **Best** management practices are not **uniform**, integrated, or **well developed** across the executive branch.
3. The legislative and executive branches do not share a common framework and commitment to best management practices.

Initiative

The Accountable Govcmnt Act is a new approach to **governing** that transcends politics and reflects Iowa's values. The Act establishes a comprehensive and consistent framework of best management **practiccs** that have been **proven** in the private sector. They include:

- Strategic Planning,
- Performance Measurement,
- Results-Oriented Budgeting,
- Performance Reporting,
- **Performance Audits**,
- Performance Contracting, and
- Return on Investment.

The Act will be phased in over **three** years and integrated with other **management** initiatives. This year **features** the design of **thc** new budget system and expanding Iowa Excellence Assessments (based on the **Baldrige** criteria) to **more** departments. The second phase (FY 02) will include construction of the new budget system, design of the **Performance** Audit component, and implementation of Iowa Excellence in all departments. **In** the third phase (FY **03**), the new budget system will be completed and **performance** audits begin.

The Act will seal a **legislative-executive** branch commitment to best management **practices** for responsive, responsible, and accountable government.

Cost

Implementation of the Act will be largely accomplished by asking agencies to reallocate resources to implement these practices. IDOP and DOM will work with others to Provide needed training within existing resources. Funds were provided in FY 01 for the design of a new **budget** system and FY 02 funds are requested to initiate implementation. FY 03 funding **requests** will likely be evaluated for completion of the new **budget** system as part of an Enterprise Resource Planning (ERP) system and implementing **Performance** Audits.

Results

1. A greater focus by stare government on achieving **results** for Iowans.
2. Policy and budget decisions based **more** on facts and **less** on politics.
3. More accountability and better information for Iowans on what they **receive** for their tax dollars.